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FY 2016 Results - Lar España Real Estate
Lar España’s presenting team

MIGUEL PEREDA
Board Member and Co-CEO of Grupo Lar

SERGIO CRIADO
CFO

JOSE MANUEL LLOVET
Head of Retail Operations of Grupo Lar

JON ARMENTIA
Corporate Director

HERNÁN SAN PEDRO
Head of Investor Relations
FY 2016 Results - Lar España Real Estate

Agenda

01  02  03  04  05
2016 Highlights  Business Performance  FY 2016 Financial Results  Growth Drivers  Closing Remarks
2016 Highlights
Successful & Strong Key Facts delivered in 2016

<table>
<thead>
<tr>
<th>Fact</th>
<th>Value</th>
<th>% Change vs FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total GAV</td>
<td>1,275 Mn</td>
<td>+42%</td>
</tr>
<tr>
<td>EBT</td>
<td>€117Mn</td>
<td>+130%</td>
</tr>
<tr>
<td>Rental Income</td>
<td>€60.2Mn</td>
<td>+69%</td>
</tr>
<tr>
<td>Dividend 2016</td>
<td>€30Mn</td>
<td>€0.33 dividend per share</td>
</tr>
<tr>
<td>Net LTV</td>
<td>33%</td>
<td>2.2% Cost of Debt</td>
</tr>
<tr>
<td>EPRA NAV per share</td>
<td>€9.20</td>
<td></td>
</tr>
<tr>
<td>EPRA NAV (€’000s)</td>
<td>€830.4</td>
<td></td>
</tr>
<tr>
<td>EPRA “topped-up” NIY</td>
<td>5.8%</td>
<td></td>
</tr>
<tr>
<td>EPRA Net Initial Yield</td>
<td>5.5%</td>
<td></td>
</tr>
<tr>
<td>Occupancy Rate</td>
<td>93.5%</td>
<td></td>
</tr>
<tr>
<td>EPRA Annualised Net Rent</td>
<td>€62.9Mn</td>
<td></td>
</tr>
<tr>
<td>ROE</td>
<td>13.4%</td>
<td></td>
</tr>
<tr>
<td>ROA</td>
<td>7.7%</td>
<td></td>
</tr>
<tr>
<td>Solvency ratio</td>
<td>1.1</td>
<td></td>
</tr>
</tbody>
</table>

1. Total GAV = Valuation of assets as of 31st December 2016
2. EBT pre-performance fee
3. To be approved in the AGM
5. Includes only operating assets generating rents at the end of December 2016

FY 2016 Results - Lar España Real Estate
Major corporate milestones during 2016

- **FEB**
  - Megapark Funding

- **APR**
  - Palmas Altas Acquisition

- **MAY**
  - Completion of Portal de la Marina acquisition
  - AGM

- **JUN**
  - Dividend Payment
  - €141 Mn Capital Increase

- **JUL**
  - +9.3% asset revaluation since acquisition
  - Vistahermosa Acquisition

- **AUG**
  - +15.8% asset revaluation since acquisition
  - Gran Vía de Vigo Acquisition

- **SEP**
  - Lar España’s Digital Project presentation
  - EPRA Gold Award

- **OCT**
  - Investor Day

- **NOV**
  - Marcelo Spínola commercialization started

- **DEC**
  - Lar España Real Estate

- **FY 2016 Results**
Solid Company performance in 2016

01 Solid 2016 Results and Balance Sheet

- €60.2 Mn Revenues
- €117.0 Mn EBT\(^1\)
- €25.9 Mn Adjusted EPRA Earnings
- €830.4 Mn EPRA NAV
- 33% net LTV; €422 Mn Net Debt

02 Lar España Value Add performance

- NOI Increase vs 2015 in Retail
- Footfall growth vs 0.9% of Average market
- Retail Occupancy vs 2015, up to 93.7%
- Rotation Rate since Acquisition

03 Stable and attractive shareholder remuneration

- €30 Mn Dividend\(^2\)
- 4.7% dividend yield\(^3\)
- Above guidance and Business Plan

\(^1\) Pre-performance fee
\(^2\) To be approved in the AGM
\(^3\) Dividend yield based on the market price as at 31\(^{st}\) December 2016
Business Performance
### Portfolio at a glance

**GAV (€Mn)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
<th>GAV (€Mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>70%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Offices</td>
<td>14%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Logistics</td>
<td>6%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Residential</td>
<td>5%</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

**EPRA Annualized Net Rent (€Mn)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Occupancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>85%</td>
</tr>
<tr>
<td>Offices</td>
<td>6%</td>
</tr>
<tr>
<td>Logistics</td>
<td>9%</td>
</tr>
</tbody>
</table>

**EPRA Topped-up NIY**

<table>
<thead>
<tr>
<th>Category</th>
<th>EPRA Topped-up NIY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>€1,275</td>
</tr>
<tr>
<td>Offices</td>
<td>€62.9</td>
</tr>
</tbody>
</table>

**Occupancy Rate**

<table>
<thead>
<tr>
<th>Category</th>
<th>Occupancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>93.7%</td>
</tr>
<tr>
<td>Offices</td>
<td>87.2%</td>
</tr>
<tr>
<td>Logistics</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

---

1. Total GAV = Valuation of assets as of 31 December
2. Marcelo Spinola’s EPRA Topped Up NIY and EPRA Occupancy rate is not calculated due to the lack of representativeness. To calculate the Topped-up NIY for the total portfolio we have excluded the data from Marcelo Spinola.
Good prospects for the Spanish economy

- Spanish economy has been surprising on the upside during the last years
- It is expected to continue outperforming the Eurozone
- Confidence of consumers keeps growing in line with income and stable earnings driven by strong employment creation
- No obvious correlation between bond and property yields
- Future Investment supported by largest Gap in recent history

**Positive Outlook in GDP Growth**

<table>
<thead>
<tr>
<th>% YoY Change</th>
<th>Spain</th>
<th>Eurozone</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>-1.2</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>1.4</td>
<td>1.2</td>
</tr>
<tr>
<td>2015</td>
<td>3.2</td>
<td>2.0</td>
</tr>
<tr>
<td>2016</td>
<td>3.2</td>
<td>1.7</td>
</tr>
<tr>
<td>2017E</td>
<td>2.3</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Source: IMF

**Consumer Confidence Index 2016**

<table>
<thead>
<tr>
<th>% MoM Change</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>99.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>95.2</td>
<td>92.6</td>
<td>91</td>
<td>90.7</td>
<td>96.3</td>
<td>94.8</td>
<td>97.3</td>
<td>91</td>
<td>90.7</td>
<td>99.4</td>
<td>100.7</td>
<td></td>
</tr>
</tbody>
</table>

Source: CIS

FY 2016 Results - Lar España Real Estate
18.06 average holding period

Strong valuation performance in all asset classes

Valuation Bridge Since Acquisition

<table>
<thead>
<tr>
<th></th>
<th>€ Mn</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition &amp; Revaluation 2014-15</td>
<td>851</td>
<td>259</td>
<td>48</td>
<td>1,275</td>
</tr>
<tr>
<td>Acquisitions 2016</td>
<td></td>
<td></td>
<td></td>
<td>126</td>
</tr>
<tr>
<td>Revaluation 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAV 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Portfolio Value evolution and LfL Change

<table>
<thead>
<tr>
<th></th>
<th>€ Mn</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td></td>
<td>14.2%</td>
<td>11.6%</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td>8.6%</td>
<td>11.6%</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td>12.30%</td>
<td>12.30%</td>
</tr>
</tbody>
</table>

Value Change by Asset Class

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Since Acquisition</th>
<th>LfL 2016 vs 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>12.3%</td>
<td>15.8%</td>
</tr>
<tr>
<td>Retail</td>
<td>13.5%</td>
<td></td>
</tr>
<tr>
<td>Logistic</td>
<td>8.6%</td>
<td>20.7%</td>
</tr>
<tr>
<td>Office</td>
<td>14.2%</td>
<td>21.7%</td>
</tr>
</tbody>
</table>

1 Market Value determined by JLL and C&W as of 31 December 2016.

FY 2016 Results - Lar España Real Estate
Operating assets backed by development projects

**Rent Generating Assets**

- **+13.5%** Retail valuation growth since acquisition
- **+8.8%** Total Sales growth
- **+5.7%** Footfall growth
- **130** Operations in 2016

**Developments**

- **2** Ongoing development projects
- **€18 Mn** Expected annual rental income
- **44,252 sqm** GLA in Vidanova Parc
- **100,000 sqm** Retail and family leisure space in Palmas Altas
Major operative milestones during 2016

<table>
<thead>
<tr>
<th>Metric</th>
<th>1Q 16</th>
<th>1H 16</th>
<th>9M 16</th>
<th>FY 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales (€ Mn)</td>
<td>89.5</td>
<td>226.4</td>
<td>424.0</td>
<td>595.4</td>
</tr>
<tr>
<td>Nº Operations</td>
<td>32</td>
<td>65</td>
<td>94</td>
<td>130</td>
</tr>
<tr>
<td>Footfall (Mn visitors)</td>
<td>9.6</td>
<td>21.7</td>
<td>39.1</td>
<td>53.1</td>
</tr>
<tr>
<td>GLA Rotated (Sqm)</td>
<td>5,003</td>
<td>13,709</td>
<td>20,051</td>
<td>28,639</td>
</tr>
<tr>
<td>Rotation Rate</td>
<td>10%</td>
<td>14%</td>
<td>16%</td>
<td>18%</td>
</tr>
</tbody>
</table>

FY 2016 Results - Lar España Real Estate
### Retail Highlights

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>#1 in ownership per shopping centre in Spain</td>
<td>#2 in GLA/average per shopping centre</td>
</tr>
<tr>
<td></td>
<td></td>
<td>#3 in GLA in retail Spanish market</td>
</tr>
<tr>
<td>02</td>
<td>+4.7% in NOI Increase vs 2015</td>
<td>Megapark (+7%, TOR:+85%), Albacenter (+16%; TOR: +311%), As Termas (+13%, TOR: +84%)</td>
</tr>
<tr>
<td>03</td>
<td>-14% Discounts vs. 2015</td>
<td>Rosal (-56%), Megapark (-50%)</td>
</tr>
<tr>
<td>04</td>
<td>Occupancy +0,8p.p vs 2015, up to 91,9%</td>
<td>Vistahermosa occupancy +12 p.p. since acquisition</td>
</tr>
<tr>
<td>05</td>
<td>18% Rotation Rate since Acquisition</td>
<td>Rotation Rate since acquisitions: Txingudi: 68%; As Termas: 16%; Vistahermosa: 10%</td>
</tr>
<tr>
<td>06</td>
<td>+€53 MM Visitors up to December</td>
<td>Megapark peak in July 16: +13,75%</td>
</tr>
<tr>
<td>07</td>
<td>+8.8% Sales Growth vs. 2015</td>
<td>Albacenter (Total sales +11%), Portal de la Marina (Total Sales +5%), AnecBlau (+5% LFL)</td>
</tr>
</tbody>
</table>
Retail

Outperforming the market

Lar España is outperforming the market

Top 5 tenants represent >30% retail rents

<table>
<thead>
<tr>
<th>% RETAIL RENTS</th>
<th>Nº UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDITEX</td>
<td>9%</td>
</tr>
<tr>
<td>MediaMarkt</td>
<td>7%</td>
</tr>
<tr>
<td>Carrefour</td>
<td>7%</td>
</tr>
<tr>
<td>El Corte Inglés</td>
<td>4%</td>
</tr>
<tr>
<td>C&amp;A</td>
<td>4%</td>
</tr>
</tbody>
</table>

1 INE. Spanish Retail Index.
2 AECC – Spanish Shopping Centres Association (Asociación Española de Centros y Parques Comerciales)
Active asset management in main shopping centres in 2016

<table>
<thead>
<tr>
<th>Centre</th>
<th>Footfall</th>
<th>T. Sales</th>
<th>NOI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Megapark, Vizcaya</td>
<td>10.6Mn</td>
<td>+2%</td>
<td>+6.7%</td>
</tr>
<tr>
<td>Portal de la Marina, Alicante</td>
<td>3.8Mn</td>
<td>+5%</td>
<td>+4.5%</td>
</tr>
<tr>
<td>El Rosal, León</td>
<td>5.4Mn</td>
<td>+2%</td>
<td>+16.5%</td>
</tr>
<tr>
<td>As Termas, Lugo</td>
<td>3.7Mn</td>
<td>+2%</td>
<td>+13.3%</td>
</tr>
<tr>
<td>Albacenter, Albacete</td>
<td>4.9Mn</td>
<td>+11%</td>
<td>+16.2%</td>
</tr>
<tr>
<td>Las Huertas, Palencia</td>
<td>2.2Mn</td>
<td>+3%</td>
<td>+1.6%</td>
</tr>
</tbody>
</table>

1 Excluding Hypermarket.

FY 2016 Results - Lar España Real Estate
**Retail**

Rent increase per sqm in leasing activity: **↑12% LfL**

<table>
<thead>
<tr>
<th>FY 2016</th>
<th><strong>New shops</strong></th>
<th><strong>Anchors</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ATTRACT NEW AND INNOVATIVE TENANTS</td>
<td>CREATE A WELL-BALANCED TENANT MIX</td>
</tr>
<tr>
<td></td>
<td>34 Reletting</td>
<td>47 Renewals</td>
</tr>
<tr>
<td></td>
<td>35 New Lettings</td>
<td>14 Relocations</td>
</tr>
</tbody>
</table>

**Main Deals Signed in Q4 2016**
- Vistahermosa
- El Rosal
- Megapark
- Megapark

**Main New Openings in Q4 2016**
- Vistahermosa
- Albacenter
- Anec Blau
- Gran Vía

<table>
<thead>
<tr>
<th>Year</th>
<th>28,639 sqm GLA Leased</th>
<th>18% Rotation Rate since acq</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>5,624</td>
<td>16,621</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td>28,639</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FY 2016 Results - Lar España Real Estate
Active management case study:

- **New tenants**
  3 new tenants since acquisition: 3,324 sqm

- **Footfall**
  +60.4% increase 2016 vs 2015

- **New image and renovation**
  Improvement of common spaces and signage replacement

- **Total Sales**
  +85% increase 2016 vs 2015

- **Sales per Visitor**
  +15% increase 2016 vs 2015

---

**Excellent tenant line-up**

- Urban Planet
- Burger King
- CASA
- Leroy Merlin
- Dreamfit
- MediaMarkt
- Alcampo

---

FY 2016 Results - Lar España Real Estate
Retail

A turnaround case study: 

BEFORE

AFTER

Value added strategy
A turnaround case study: Retail

Since acquisition:

- 12 new lettings + relettings
- 17 renewals (26% of Total GLA)
- 3 strategic relocations

The Challenge

<table>
<thead>
<tr>
<th>Out-dated Shopping Centre</th>
<th>Oversized Leisure Sector</th>
<th>Hypermearket and its Gas Station</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 years without any refurbishment since opening</td>
<td>Mainly represented by poorly performing Cinema</td>
<td>Only footfall drivers</td>
</tr>
</tbody>
</table>

Occupancy growth from 92.7% to 97.5%¹

Our Approach

**Image improvement** of dining terraces area, signage, lighting and bathrooms

- Enhance tenant mix and drive fashion-led lettings by securing a new major fashion anchor
- Create the desired retail mix opportunities within the Centre and subsequently increase in rents and long-term sustainability
- Complete the image upgrade project aligned to a new commercial scheme

¹. Txingudi Occupancy pro-forma is 97.5%.

FY 2016 Results - Lar España Real Estate
Retail development

2 ongoing development projects

- **VidaNova Parc**
  - c.60% GLA signed and pre-signed
  - €4 Mn Expected annual rental income
  - 44,252 sqm GLA

- **Palmas Altas**
  - c.25% Pre-agreement
  - €14 Mn Expected annual rental income
  - 100,000 sqm Retail and family leisure space
Case Study: VidaNova Parc

- **c.60%** GLA signed and pre-signed
- **€4 Mn** Annual Rental Income
- **Leroy Merlin & Urban Planet** Leases signed with anchors
- **44,252** GLA (Sq m)
- **>9%** Expect. Net Initial Yield
- **Q1 2018** Expected Opening Date
- **€26 Mn** Expected Development Costs
- **€14 Mn** Acquisition Price

Ongoing works
<table>
<thead>
<tr>
<th>01</th>
<th>94.01% Offices and Logistics portfolio occupancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>02</td>
<td>Increasing commercial interest in offices portfolio</td>
</tr>
<tr>
<td>03</td>
<td>+12.9% market revaluation vs. 2015</td>
</tr>
<tr>
<td>04</td>
<td>Intensive capex investment €7.4 Mn in 2016</td>
</tr>
<tr>
<td>05</td>
<td>Office assets focused in achieving Breeam Certification</td>
</tr>
<tr>
<td>06</td>
<td>Global NOI reaching €11.7 Mn</td>
</tr>
<tr>
<td>07</td>
<td>Assets energy consumption optimization</td>
</tr>
</tbody>
</table>

### Offices and logistics Highlights

- **Progressive vacancy reduction in office portfolio**
- **Ongoing negotiations in Arturo Soria to increase building occupancy to 98% after several floors refurbishment**
- **Maintaining 100% occupancy in logistics portfolio. Renovation of Factor5 contract in Alovera**
- **Increasing visits in Arturo Soria and Eloy Gonzalo**
- **Marcelo Spínola Tower works finalized and commercialization in process**
- **Market value increase driven by capex investment, yield compression and NOI management**
- **Marcelo Spínola total refurbishment in 2016**
- **Conclusion of the basic refurbishment project in Eloy Gonzalo and works tender**
- **Embellishment of offices facades and improvement of hall entrances**
- **Improvements in logistics warehouses and study of global maintenance of the covers**
- **Marcelo Spínola Breeam pre-calification: “Very Good”**
- **Eloy Gonzalo and Egeo in process to obtain Breeam certifications**
- **Offices and logistics NOI maximization even with refurbishment assets as Marcelo Spínola office building**
- **Direct impact in tenant’s cost reduction**
Non-retail assets

**Offices**

- **87.2%\(^1\) Occupancy**
  - Expected progressive vacancy reduction in office portfolio after ongoing negotiations
  - ERV €8.0 Mn
  - Accessibility audit in Eloy Gonzalo, Egeo, Arturo Soria and Joan Miró

**Logistics**

- **100% Occupancy maintained** in all our logistics assets
  - ERV €5.9 Mn
  - Installation of a complete fire fighting system in Almussafes

---

1. Marcelo Spinola’s Occupancy rate is not included in total occupancy rate due to its lack of representativeness
Non-retail assets

Marcelo Spínola: works completed on time and on cost

Stunning city views in a consolidated office area
Great visibility from M-30 ring, most travelled highway in Madrid
BREEAM Certification awarded

Currently in commercialization
Co-exclusive, main real estate agents in Spain

8,875 sqm
GLA

€19 Mn + €9.5 Mn
Investment Capex

€33.5 Mn
Valuation Dec 16 Revaluation since acquisition

+ 15%
Lagasca 99: a significant driver of value to Lar España Shareholders

- **Construction works on schedule**
  - Completed structure up to 5th level

- **+ 44% sold**
- **+21% revaluation vs 2015**

- **High interest from national and international investors**
  - Price over 10,000 €/sqm

- **Strong revaluation due to scarcity of new prime residential product in Madrid city centre**

- **Existing healthy pipeline of clients in signing process for Q1 2017 onwards**

- **Estimated delivery date:**
  - 2018

FY 2016 Results - Lar España Real Estate
FY 2016 Financial Results
# Consolidated Income Statement (€ Millions)

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2015</th>
<th>FY 2016/FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recurring</td>
<td>Non-Recurring</td>
<td>Total ( € Millions)</td>
</tr>
<tr>
<td>Rental Income</td>
<td>60.2</td>
<td>-</td>
<td>60.2</td>
</tr>
<tr>
<td>Other income</td>
<td>1.8</td>
<td>-</td>
<td>1.8</td>
</tr>
<tr>
<td>Property Operating Expenses</td>
<td>(10.0)</td>
<td>-</td>
<td>(10.0)</td>
</tr>
<tr>
<td>Base Fee</td>
<td>(6.4)</td>
<td>-</td>
<td>(6.4)</td>
</tr>
<tr>
<td>Property Operating Results</td>
<td>45.7</td>
<td>-</td>
<td>45.7</td>
</tr>
<tr>
<td>Corporate Expenses</td>
<td>(3.6)</td>
<td>(1.3)</td>
<td>(4.9)</td>
</tr>
<tr>
<td>Other results</td>
<td>-</td>
<td>2.9</td>
<td>2.9</td>
</tr>
<tr>
<td>EBITDA¹</td>
<td>42.0</td>
<td>1.6</td>
<td>43.7</td>
</tr>
<tr>
<td>Changes in the Fair Value</td>
<td>87.8</td>
<td>-</td>
<td>87.8</td>
</tr>
<tr>
<td>EBIT¹</td>
<td>129.9</td>
<td>1.6</td>
<td>131.5</td>
</tr>
<tr>
<td>Financial Result</td>
<td>(9.6)</td>
<td>(4.1)</td>
<td>(13.7)</td>
</tr>
<tr>
<td>Share in profit (loss) for the period of equity-accounted companies</td>
<td>(0.8)</td>
<td>-</td>
<td>(0.8)</td>
</tr>
<tr>
<td>EBT¹</td>
<td>119.5</td>
<td>(2.5)</td>
<td>117.0</td>
</tr>
<tr>
<td>Income Tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the Period (pre performance fee)</td>
<td>119.5</td>
<td>(2.5)</td>
<td>117.0</td>
</tr>
<tr>
<td>FFO (EBITDA – Financial Result)¹</td>
<td>32.4</td>
<td>-</td>
<td>29.9</td>
</tr>
<tr>
<td>% FFO Annualized Yield /NAV</td>
<td>3.9%</td>
<td>-</td>
<td>3.6%</td>
</tr>
<tr>
<td>Performance fee</td>
<td>(25.6)</td>
<td>-</td>
<td>(25.6)</td>
</tr>
<tr>
<td>Profit for the Period (post performance fee)</td>
<td>91.4</td>
<td>-</td>
<td>91.4</td>
</tr>
</tbody>
</table>

¹ pre performance fee

# FY 2016 Results - Lar España Real Estate
FY 2016 Results - Lar España Real Estate

Lar España’s Debt Profile

Key Figures of the financing

- **33%** Net Loan to Value (LTV)
- **2.2%** Average Cost of Debt
- **78%** Hedge/ Fixed

Back-loaded Amortization Profile

€ Mn
- €140Mn Senior Secured Bond
- €314Mn Bank Debt

Hedge/ Fixed

Net LTV

ICR (Ebit/Interest Expense)

Long Term debt maturity and competitive cost of debt

Cost of debt
- 2.6%
- 5.8
- 6.6
- 6.9
- 5.9

Average maturity
- 2.5%
- 2.2%
- 2.2%

Stronger Financial solvency while optimizing Balance Sheet Structure

Net LTV
- 9.0
- 7.8
- 33%

ICR (Ebit/Interest Expense)
- 24%
- 7.3
- 5.4
- 33%

1. All figures according to Last Reported Results on Q3 2016
2. Net LTV as of December 2016; Net LTV= Total Loans & Borrowings & Notes net of Cash
3. Excluding any impact from negative interest rate
Performance fee invested in Lar España shares @ NAV ps

**Shareholders Return Rate Calculation**

<table>
<thead>
<tr>
<th>EPRA NAV 2015</th>
<th>EPRA NAV Increase 2016</th>
<th>Capital Increase Net of Expenses</th>
<th>Dividends</th>
<th>Shareholders Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>578</td>
<td>259</td>
<td>143</td>
<td>12</td>
<td>128</td>
</tr>
</tbody>
</table>

**Remuneration on Shareholders return rate**

Both conditions are met
1. Shareholders Return Rate >10%
2. Relevant High Water Mark < EPRA NAV 2015 + SRR 2016

€25.56 Mn of Performance Fee
Said amount net of taxes to be converted in Shares subject to a 3-year lock-up.

IMA states market price\(^3\) as the reference price.

As an initiative of the Manager, 2016 performance fee shares will be subscribed at NAV p.s. (€9.20), thus reducing in 24%\(^4\) the number of shares to be received by Grupo Lar

For more information in the calculation of the performance fee please refer to point 2.5 (p.54) in the FY 2016 Report

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1. Shareholders return rate = Shareholder return / EPRA NAV 2015
2. SROR = Shareholder return rate (22.11%) – Hurdle rate (10%)
3. Price of the shares issued calculated on an average of 20 trading days prior to the date of the invoice from Grupo Lar (Investor Management Agreement)
Significant potential upside in rents from reversion potential and developments project – *For illustrative purposes* –

1. Illustrative potential additional rent in 2016 calculated as the difference between the market net rent estimated by the Company’s appraisal done by Cushman & JLL, as part of their valuation exercise and the annualized net rent obtained by the Company in 2016. Difference applied only to the current EPRA occupancy rate, considering the occupancy rate of the Company’s properties as of 31st December 2016.
2. Illustrative potential additional rent in 2016 calculated, assuming the full occupancy of the Company’s properties, as the application of the market net rent estimated by the Company’s appraisers as part of their valuation exercise with respect to the vacant spaces in each of the Company’s properties. Full occupancy has been estimated at 97% for Shopping Centres given structural vacancy and 100% for the remaining portfolio.
3. Potential rent that may be derived from certain of the Company’s assets under development (Sagunto and Palmas Altas) based on the announced yield at the moment of their respective acquisition (9.2% and 8.0% respectively) as applied to the acquisition price and building capex for each asset.
4. Estimated Rental Income assuming an average yield of assets acquired @ 6%.
Dividends

Dividend: €30 Mn\(^1\)
4.7% Dividend Yield\(^2\)

€0.331 ps\(^1\) – May 26\(^{th}\), 2017\(^3\)

\(^1\) Dividend to be approved in AGM
\(^2\) Dividend yield calculated as at 31/12/2016
\(^3\) Dividend payment date subject to tentative date celebration of AGM on April 28\(^{th}\), 2017

Highest dividend yield in Spanish RE

3\(^{rd}\) dividend in 3 years
Dividend above guidance

FY 2016 Results - Lar España Real Estate
5 Closing Remarks

Egeo Office Building, Madrid
Closing Remarks

Attractive €30 Mn dividend\(^1\) supported by a Strong set of Results with an €117 Mn EBT\(^2\)

Attractive portfolio of €1,275 Mn, out of which €1,145.8 Mn are rents generating assets that produce €62.9 Mn underpinned by the acquisitions of three excellent assets in 2016

Extensive Active Management actions from acquisition already showing outstanding results outperforming the market Quarter-over-Quarter

Excellent progress in the development of Lagasca 99 and the Retail developments

Lar España consolidates as the reference retail SOCIMI in Spain

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1. Dividend to be approved in AGM
2. EBT pre-performance fee
FY 2016 Results

Lar España Real Estate